

Message Text

PAGE 01 STATE 073865
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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMEMBASSY MOSCOW
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INFO CINCPAC
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GOVGUAM

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ATTN PARIS FOR MARK PRATT

E.O. 11652:N/A

TAGS: SOPN, XC, US

SUBJECT:MARCH 22 EA PRESS SUMMARY

1. INDONESIA

PRES SUHARTO UNANIMOUSLY RE-ELECTED WEDS BY PEOPLE'S
CONGRESS FOR 3RD 5-YR TERM; WILL BE SWORN IN THURS.
REUTER (JAKARTA) REPORTS HELICOPTERS HOVERED OVERHEAD/
HEAVILY ARMED TROOPS GUARDED AREA FOLLOWING JAKARTA MIL
COMMAND ANNOUNCEMENT THAT UNDERGROUND EXTREMIST GROUP
WAS TRYING SPREAD TERROR BY SETTING OFF MOLOTOV COCKTAILS
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PAGE 02 STATE 073865

IN CITY; 39 PEOPLE ARRESTED. FOLLOWING SWEARING-IN,
CONGRESS WILL ELECT FORMER FONMIN MALIK AS VP, WHO MIGHT
BE GIVEN RESPONSIBILITY FOR FONAFAIRS WHILE DAY-TO-DAY
FONMIN SUSINESS TURNED OVER TO JUNIOR MIN.

2. INDOCHINA

CSM NOTES INDOCHINA SKIES WILL BE OPEN TO INTL AIR TRAFFIC
THURS FOR 1ST TIME SINCE WAR.

3. MALAYSIA

ACCORDING UPI (KL, JOC), EXXON'S NEWLY DRILLED OFF-SHORE

WELLS IN PENINSULAR MALAYSIA DAILY PRODUCING AVERAGE
20,000 BARRELS CRUDE OIL.

PENANG REFINED TIN EXPORTS INCREASED 1,178 METRIC TONS TO
3,330 IN 1ST HALF MARCH, ACCORDING STRAITS TRADING CO
LTD (UNICOM NEWS SINGAPORE, JOC).

4. CHINA

JOC (PEKING) SPEC NOTES PRC HAS REPORTED SHARP INDUSTRIAL
OUTPUT INCREASE, WITH MANY INDUSTRIES TURNING OUT MORE
IN JAN-FEB THIS YEAR THAN IN FIRST QUARTER '77. "PD"
SAID VALUE OF INDUSTRIAL PRODUCTION ALSO REACHED RECORD
LEVELS AND UNPROFITABLE CONCERNS CUT LOSSES, COMPARED
WITH "VERY PASSIVE SITUATION" IN FIRST QUARTER '77.

REUTER'S PRITCHETT (PEKING) REPORTS NEW STUDENTS AT
PEKING U, WHO RECENTLY SAT PRC'S FIRST ENTRANCE EXAMS
IN YEARS, ARE FIGHTING WAR OF WORDS OVER ACADEMIC
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PAGE 03 STATE 073865

QUALIFICATIONS WITH OLDER UNDERGRADUATES WHO GAINED
ENTRANCE ON POL MERIT. NOTES CAMPUS SOURCES SAY FEELINGS
RUNNING HIGH OVER ISSUE.

GOV SHIEH TUNG-MIN ELECTED ROC'S VICE-PRES TUES--HIGHEST
POST EVER HELD BY TAIWANESE IN NATIONALIST HIERARCHY.
REUTER (TAIPEI) OBSERVES THIS SHOWS CCK IS KEEN TO
STRENGTHEN UNITY.

REUTER'S MAJENDIE (TAIPEI 3/21) SEES CHIEF ATTENTION,
FOLLOWING ELECTION CCK/SHIEH, NOW CENTERING ON WHO WILL
BE ROC PREMIER. SAYS ONE LEADING CONTENDER IS CENTRAL
BANK GOV YU KUO-HUA, WHO IS CREDITED WITH MUCH OF RESPONSI-
BILITY FOR TAIWAN'S PRESENT ECON PROSPERITY. OBSERVES
COUNTRY STILL FACES SERIOUS POL PROBLEMS, HOWEVER,
PARTICULARLY PROSPECT US WILL SEVER TIES COMPLETELY IN
FAVOR OF PEKING.

5. PHILIPPINES

FON SECY ROMULO FRI DENOUNCED CRITICS WHO ACCUSE IMELDA
MARCOS OF EXTRAVAGANCE/TRAVELLING W/JET-SET/STAYING IN
BEST HOTELS. ASKED HOW ONE EXPECTS HER TRAVEL -- "IN
THE DRESS OF A HIPPIE? WITH A G-STRING? WHEREVER SHE GOES
SHE REPRESENTS THE FILIPINO PEOPLE," HE SAID (REUTER
3/17, MANILA).

CENTRAL BANK APPROVES CONVERSION OF REPUBLIC BANK INTO

"SUGAR BANK" TO LOOK AFTER DISTRESSED SUGAR INDUSTRY/
PROVIDE STEADY SOURCE FINANCING, IN MOVE SIMILAR TO
THAT UNDERTAKEN BY PHILS COCONUT INDUSTRY (UNICOM
NEWS MANILA, JOC).

UNICOM NEWS (MANILA, JOC) ALSO REPORTS 13 MINING FIRMS
PLAN GO INTO GOLD MINING PROJECTS IN NEXT 2-3 YRS BE-
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PAGE 04 STATE 073865

CAUSE OF IMPROVED GOLD PRICES IN WORLD MRKT.

6. SINGAPORE

IN 2ND OF 2 ARTICLES ON FEB OFFSHORE SE ASIA CONF/EXHIBITION
IN SINGAPORE, JOC'S LORENZ LOOKS AT SINGAPORE'S OFFSHORE
EXPLORATION, NOTING THAT THO COUNTRY HAS MUCH TO GAIN
FROM REVIVAL EXPLORATION IT KEPT LOW PROFILE AT RECENT
MEETING. SAYS FON PETRO EXECS, HOPING FOR MORE INCEN-
TIVES FOR SETTING UP VENTURES IN SINGAPORE, CONCLUDED
GOS, WHILE OFFERING SUPPORT ESTABLISHMENT NEW FIRMS,
TRYING MAINTAIN FRIENDLY RELS W/ASEAN COUNTRIES WHICH
ALSO LOOKING FOR FINANCING.

7. KOREA

WP HEADLINES BABCOCK STORY ON FRASER SUBCMTE'S RELEASE
OF 1971 FBI MEMO PREPARED FOR ATTY-GEN MITCHELL/NSC'S
KISSINGER. DOCUMENT SAYS ROKG FUNNELED 400,000 DOLS TO
DEM PARTY IN 1968/THAT KOREAN "BLUE HOUSE" "DIRECTLY
INVOLVED" IN MONEY TRANSFER. SOURCES SAY SUBCME HAS
ALSO RECEIVED REPORTS GOP GOT SMALLER, BUT STILL "6-FIGURE"
SUM FROM ROKG IN '68. MITCHELL TESTIFIED 3/21 HE NEVER
SAW MEMO, WHILE SPOKESMAN FOR KISSINGER SAID HAK HAS
"NO RECOLLECTION" OF SEEING MEMOS.

MITCHELL DID TESTIFY, HOWEVER, THAT HE SAW/ACTED UPON
1971 MEMO FROM HOOVER THAT PASSED ALONG CIA REPORT
ALLEGING 2 CONGRESSIONAL STAFF AIDES WERE CONNECTED
W/KCIA. LANDAUER (WSJ) STRESSES FACT THEN-HOUSE SPEAKER
ALBERT TOOK LIGHTLY INFO FROM MITCHELL THAT SUZI PARK
THOMSON SUSPECTED OF BEING CONNECTED W/KCIA. ALBERT
REPORTEDLY TOLD MITCHELL HE "DIDN'T SEE ANY PROBLEM"
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PAGE 05 STATE 073865

W/THOMPSON SINCE SHE DIDN'T OCCUPY SENSITIVE POST.

FRASER QUESTIONED WHY FBI--IN VIEW CIA REPORTS--DIDN'T
PUSH INVESTIGATION OF TONGSUN PARK REQUESTED BY DOS, OR

AT LEAST WARN CONGRESSMEN. TERMED INVESTIGATION OF MATTER BY EXEC BRANCH "PERFUNCTORY AT BEST" (HALLORAN, NYT; AP'S ADAMS, PHINQ; OLSON, SUN). REUTER'S DE SILVA

(3/21) STATES MEMOS ALSO NOTE THEN-AMB TO SK HABIB TRIED HAVE TONGSUN PARK REGISTERED AS FON AGENT IN US.

HIRC MEMBER SOLARZ (D-NY) URGED CONGRESS 3/21 APPROVE 800-MIL-DOL ARMS TRANSFER TO SK. SAID FAILURE APPROVE ACTION WOULD BE TAKEN BY NK/SK/JAPAN AS LACK OF US SUPPORT FOR SK (REUTER 3/21).

TESTIFYING AGAIN IN HANCHO KIM TRIAL, FORMER KCIA OPERATIVE SANG KEUN KIM SAID HE DEFECTED TO US/BECAME WITNESS AGAINST HANCHO KIM BECAUSE HE FEARED IMPRISONMENT SHOULD HE RETURN SK. STATED HE DECIDED DEFECT AFTER HEARING "TALK IN THE KOREAN EMBASSY" THAT HIS KCIA SUPERVISOR IN SK MIGHT BE "DISPOSED OF" AS INFLUENCE-BUYING SCHEME CONTINUED UNFOLD (ROBINSON, WP).

SK HAS DECIDED MOVE AHEAD W/BIL-DOL ORDER FOR US NUKE REACTORS FROM WESTINGHOUSE. UTILITY SPOKESMAN IMPLIED DECISION MADE UPON DOS ASSURANCES OF FULL SUPPORT IN FINANCING LOAN FOR DEAL (AP NYT, WSJ).

ROKG NEGOTIATING PR CONTRACT W/MIKE MOYNIHAN--YOUNGER BROTHER NY SEN. SK EMB HAS CONFIRMED IMPENDING DEAL, BUT SAYS FAMILY TIE W/SEN "HAS NOTHING TO DO WITH IT" (CSM).

8. JAPAN/NEW ZEALAND

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PAGE 06 STATE 073865

GOJ/GONZ HAVE REACHED STAND-OFF OVER JAPANESE FISHING RIGHTS INSIDE NZ'S 200-MILE ECON ZONE. NZ SAYS IT WILL NOT ALLOCATE RIGHTS UNLESS JAPAN GIVES SOME GUARANTEES OF ACCESS TO ITS MARKETS FOR NZ FARM PRODUCTS. JAPAN SAYS ISSUES DIFFERENT/SHOULD NOT BE DISCUSSED TOGETHER. WHEN AUCKLAND TALKS BROKE DOWN ALTOGETHER, MULDOON BLUNTLY ACCUSED JAPAN OF "ECONOMIC IMPERIALISM"/SAID SMALLER PAC NATIONS SHOULD BAND TOGETHER AGAINST IT (MCLAUCHLAN, JOC AUCKLAND).

9. AUSTRALIA

COALITION US WILDLIFE/CONSERVATION GROUPS TUES BITTERLY CRITICIZED GOA FOR ALLOWING CONTINUED SLAUGHTER OF KANG-AROOS FOR COMMERCIAL PURPOSES. GROUP OF 11 ORGANIZATIONS, INCLUDING "FUND FOR ANIMALS"/"SIERRA CLUB," SENT PM FRASER LETTER SAYING SLAUGHTER OF AUSSIE KANGAROOS PERHAPS NOT EXCEEDED IN RECENT TIMES BY WILDLIFE KILLING IN ANY

OTHER NATIONS; ALSO CHARGED FRASER ADMIN OF VIGOROUSLY LOBBYING US INTERIOR DEPT TO LIFT IMPORT BAN ON KANGAROO HIDES. IN SEPARATE PRESS RELEASE ACCOMPANYING LETTERS TO

FRASER/INTERIOR DEPT SEC ANDRUS, GROUP SAID TI SPECIFICALLY WANTED RETAIN BAN ON IMPORTS OF KANGAROO PRODUCTS INTO US (REUTER).

10. GENERAL

IN HK, REUTER'S NICOLL REPORTS ASIAN COUNTRIES ARE TAKING ADVANTAGE OF FLOOD OF UNWANTED DOLLARS AROUND WORLD TO REFINANCE THEIR FON DEBTS ON TERMS FAR CHEAPER/LONGER THAN THOSE THEY ORIGINALLY OBTAINED. SAYS, IRONICALLY, FON BANKS WHICH ORIGINALLY MADE MORE EXPENSIVE LOANS ARE UNCLASSIFIED

PAGE 07 STATE 073865

OFTEN SAME ONES WHICH NOW OFFERING REFINANCE THEM ON CHEAPER TERMS--DOING THIS IN ORDER NOT LOSE OUT ON BUSINESS, EVEN THOUGH IT MEANS DROP IN EARNINGS. QUOTES ONE BANKER THAT SITUATION DANGEROUS/"LIKELY TO STRAIN THE WHOLE LENDING SYSTEM. COUNTRIES AROUND HERE ARE JUST NOT WORTH SPREADS OF ONE PCT."

COMMENT AND ANALYSIS

11. JAPAN

MULLANEY (NYT) REVIEWS RESULTS RECENT JAPANESE BUYING MISSION IN US. SAYS BOTH JAPANESE/AMERICAN SOURCES AGREE MOST IMPORTANT IN VISIT WAS DEMONSTRATION TO US COMPANIES THAT GREATER OPPORTUNITIES EXIST IN JAPANESE MKT THAN PREVIOUSLY BELIEVED. SAYS BUYING MISSION MAY HAVE HELPED REDUCE "ULTIMATE NON TARIFF BARRIER" TO US PRODUCTS--IGNORANCE OF AMERICAN EXPORTERS ON HOW CONDUCT BUSINESS IN JAPAN.

12. JAPAN/CHINA

CSM CITES INCREASING JAPANESE-CHINESE TIES, EXPRESSING CONCERN ABOUT POSSIBILITY OF CHINESE COMMUNISTS EXPLOITING JAPANESE BENEVOLENT ATTITUDES TOWARD PRC FOR CHINESE ENDS. SAYS IN TERMS OF WORLD POWER POLITICS, IT'S BETTER FOR PRC TURN TOWARD JAPAN THAN TOWARD USSR, AS "KEEPING THE TWO COMMUNIST GIANTS APART" IS DESIRABLE. HOWEVER, SAYS RISKS INVOLVED IN RELS BETW JAPAN'S ECON MIGHT/PRC'S "VAST MASS". URGES IN MIDST OF MIDEAST FUROR, SOME THOUGHT BE GIVEN THIS EVOLVING RELATIONSHIP.

13. KOREA

CHITRIB'S CURRIE (SEOUL) REMARKS ON HOW KOREAN PRESS--BARRED

FROM COVERING ARRIVAL 25TH US INFANTRY DIVISION AT PUSAN FOR
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PAGE 08 STATE 073865

MILITARY EXERCISES--DEALT W/PROBLEM. NOTES AT LEAST 2
DOZEN REPORTERS FROM KOREAN PRESS CORPS FLEW TO HAWAII,

WHERE 25TH DIVISION STATIONED. SOME 20 NEWSMEN REQUESTED
PERSONAL INTERVIEWS W/ADM WEISNER--PAC CIC. SAYS AFTER
RETURNING SK W/US TROOPS, THEY RAN DOWN CARGO RUNWAYS
W/"FULL STORY IN THEIR POCKETS, PICTURES IN THEIR CAMERAS,
AND TONGUES IN THEIR CHEEKS."

14. GENERAL

ACCORDING LAT'S MCARTHUR (SINGAPORE 3/19), OPTIMISTIC
OUTLOOK FOR LNG PROJECTS ONE OF FEW CHEERFUL NOTES TO
COME OUT OF OFFSHORE SE ASIA CONF. SAYS 7,000 OILMEN/EX-
PERTS AT SINGAPORE CONF HAD LITTLE ELSE BE ENTHUSIASTIC
ABOUT, BECAUSE OFFSHORE DRILLING MAKING VERY SLOW RECOVERY
SINCE '76 SLUMP. SAYS THIS HAS FOCUSED INTEREST ON LNG/
SE ASIA WHICH SITTING ON "VAST, UNDEVELOPED FIELDS OF IT."
NOTES THERE ARE LARGE LNG PROJECTS ON-GOING IN AUSTRALIA/
INDO/MALAYSIA, WHICH DEPEND ON DECISIONS BEING WEIGHED BY
PRES CARTER/ENERGY DEPT WHICH MUST DECIDE ON PERMISSABLE
PRICE/AMOUNT FOR IMPORTED LNG. SAYS IRONIC THESE PRO-
JECTS ORIGINALLY CONCEIVED W/JAPAN IN MIND, BUT COUNTRIES
NOW LOOK TO US, WHERE THEY FEEL CONTINUING SHORTAGES WILL
INEVITABLE OPEN US MKT. ;--

15. PACIFIC ISLANDS

CSM'S STEELE (SUVA) SAYS THERE IS TALK OF GOLD IN FIJI
HILLS THESE DAYS--KIND THAT GROWS ON TREES. NOTES
POLITICIANS HAVE LABELED FIJIAN CARIBBEAN PINE FORESTS
"GREEN GOLD" FOR THEIR POTENTIAL AS 3RD-LARGEST SOURCE
FON EXCHANGE, AFTER SUGAR/TOURISM. SAYS, W/UNEMPLOYMENT
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PAGE 09 STATE 073865

AROUND 7 PCT/SUGAR PRICES AT LOW EBB, PINE PLANTATIONS
OFFER SIGNIFICANT ENVIRONMENTAL/SOCIOLOGICAL PROMISE.
W/57,500 ACRES PINE PLANTED SO FAR, HARVESTING EXPECTED
BEGIN NEXT YR; COULD BE WORTH 20 MIL DOLS/YR W/IN 10 YRS.
JAPAN SEEN AS PRINCIPAL MKT (ACCOMPANIED BY MAPS). VANCE

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